

**Early Morning Update**

The Dec20 natural gas contract is trading up \$0.06 at \$2.75. The Dec20 crude oil contract is up \$0.62 at \$42.05.

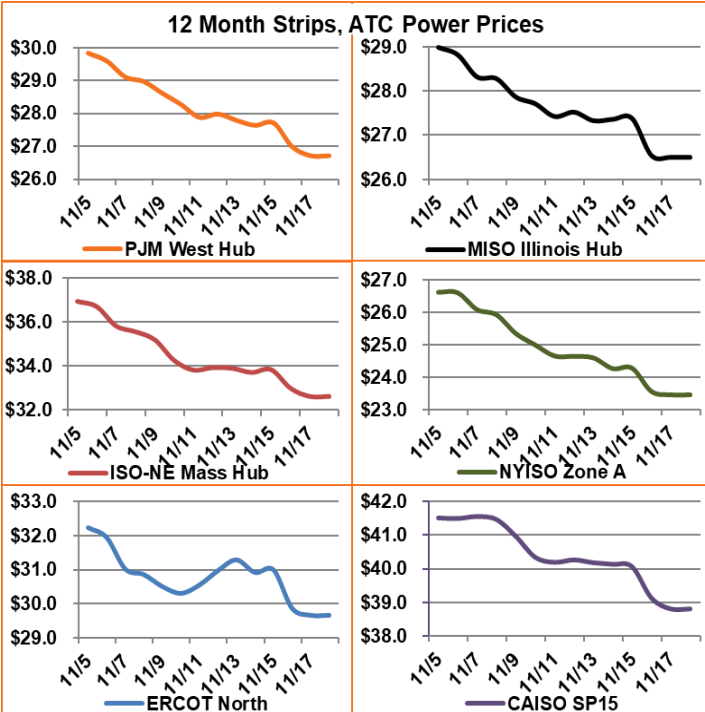
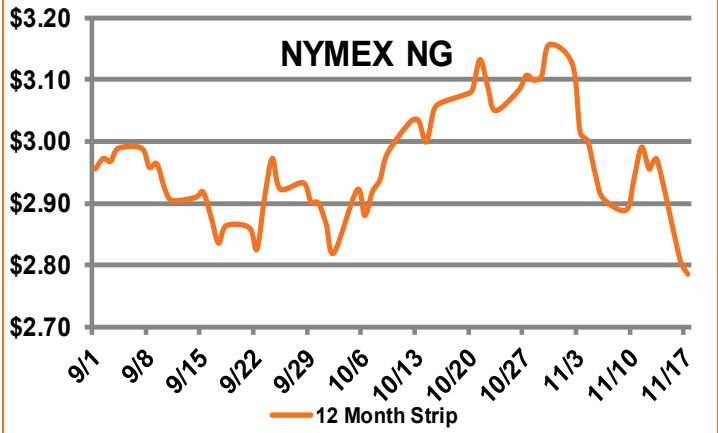
**Summary:** Yesterday's NYMEX natural gas trading session saw little movement when compared to the big drop on Monday, but the near-term did continue to slide down through the day yesterday. The prompt month showed little change, losing just a half a penny to close at \$2.692/MMBtu, while the winter strip of December through March lost 1.6 cents. The biggest movement was through next spring and summer, which pushed the 2021 calendar strip down to \$2.816, a drop of 2.5 cents from Monday's close. The 2022 calendar strip was essentially flat, while 2023 through the end of the curve all climbed by about a penny and a half. The forward calendar strips remain backwardated through 2024, with a very narrow range of 1.8 cents separating 2024 through 2027. Production has been holding steady around the 90 Bcf/d mark, while the residential and commercial demand sector has doubled from last Wednesday, driven by the chilly temperatures that are blanketing the Northeast and are expected to last another day. The above-average temperatures forecasted to follow and hold through the remainder of the month should help to bring down the heating demand and, possibly, prices.

**Bullish Factors**

- LNG exports back in force
- High exports to Mexico
- Unstable production

**Bearish Factors**

- Coronavirus impacts on demand
- Healthy storage levels
- Lack of significant heating demand



**Next Day On-Peak Power (traded for 11/18/2020)**

ISO-NE Mass Hub \$43.35	MISO Indiana Hub \$27.50	NYISO Zone G \$36.24
PJM West Hub \$27.07	ERCOT North \$20.72	CAISO SP15 \$34.24

NYMEX NG	Close	Change
Dec-20	2.692	-0.005
Jan-21	2.844	-0.020
12 Month	2.786	-0.023
Cal 21	2.817	-0.025
Cal 22	2.737	-0.003

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,927	3,919	3,731	3,751
Diff v. Current		8	196	176
% Diff			5.3%	4.7%

